

FISCAL NOTE

HJR 661

February 16, 2002

SUMMARY OF BILL: Proposes an amendment to Article II, Section 18, of the Constitution of Tennessee to provide: *No bill to raise the rate of sales tax or to enact or raise the rate of any tax measured by income shall become law unless, on third and final consideration, it has received the assent of three-fifths of all the members elected to the House of Representatives and three-fifths of the members elected to the Senate. Any bill that raises the rate of sales tax shall not become law unless it also reduces, by at least an equal percentage, the rate of a tax measured by income. Any bill that enacts or raises the rate of a tax measured by income shall not become law unless it also reduces, by at least an equal percentage, the rate of sales tax.*

The amendment shall be referred to the 103rd General Assembly and this resolution proposing such amendment shall be published in accordance with the Constitution of Tennessee, Article XI, Section 3.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$20,000 One-Time

Other Fiscal Impact - To the extent the bill prevents increases in the sales tax or tax measured by income that would have occurred in the absence of the bill, the state would forgo increased revenues which would likely be significant.

Assumes a cost of \$20,000 to the Secretary of State to print notice of the proposed amendment in certain newspapers as required by this resolution.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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